

ILLINOIS COMMERCE COMMISSION

ICC Docket No. 01-0623

SUPPLEMENTAL REBUTTAL TESTIMONY OF DAVID R. CONN
CONCERNING ATTACHMENT TO AI EXHIBIT 7.0C

I. Introductions and Qualifications

OFFICIAL FILE

ICC DOCKET NO. 01-0623

Exhibit No. 2.5

Witness

Date 11/19/01

Reporter

late Filed

1. Q: What is your name?

A: My name is David R. Conn

2. Q: Have you previously filed testimony in this Docket?

A: Yes.

3. Q: Have you reviewed the rebuttal testimony of Mark Welch, AI Exhibit 7.0C, and the Attachment to AI Exhibit 7.0C, filed by Ameritech Illinois on November 16, 2001?

A: Yes. I am filing this supplemental rebuttal testimony in response to the Law Judges' ruling at the arbitration hearing that McLeodUSA could file testimony or comments in response to the study provided as the Attachment to Mr. Welch's rebuttal testimony ("Welch Attachment").

4. Q: Is Mr. Welch's description of the cost calculation for performing a manual loop qualification consistent with TELRIC pricing principles?

A: In my opinion, no. Although Mr. Welch's testimony uses the words "forward looking" in several instances to describe his cost calculations, the description itself does not fully utilize forward-looking costing principles, as set forth in the rules of the Federal Communications Commission (FCC). For example, although

23 a 2002 labor rate is used, the study does not rely upon the most currently available
24 telecommunications technology, as required by 47 C.F.R. Section 51.505(b)(1).
25 Instead, the study simply multiplies the hourly rate of the type of employee
26 involved, and multiplies that number by the time it takes to perform the subparts
27 of the task.

28
29 The tasks involved (according to Tab 6.2 of the Welch Attachment are
30 logging in to a computer system, checking two items, and completing the
31 response form. According to the study, this takes about half an hour. (Tab 6.2 of
32 Welch Attachment). The forward-looking cost of providing such information
33 should be *de minimus* since, using the most advanced telecommunications
34 technology available pursuant to the FCC's rules, this process should be entirely
35 automated. In such an environment, the forward-looking cost would be nothing
36 more than a few keystrokes into Ameritech's OSS.

37
38 It is possible that Ameritech may believe that it would be deprived of
39 recovery of its actual expenditures if such a forward-looking cost were used.
40 Although I do not believe that this is a valid objections under the legal framework
41 established by the FCC, McLeodUSA is willing to accommodate Ameritech's
42 concerns by performing such checks itself, if Ameritech will enable McLeodUSA
43 to access the LFACS and ARES systems in order to retrieve the information they
44 contain. In this case, Ameritech would not bear the expense of the time of the
45 drafting clerk as set forth in it cost study, and therefore would have no need to
46 charge McLeodUSA for that time.

47
48 5. Q: Does this conclude your supplemental rebuttal testimony?

49 A: Yes.